

JULY 22, 1997
BDAC MEETING SUMMARY

Draft
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JULY 22, 1997
SACRAMENTO CONVENTION CENTER
9:30 AM to 4:50 PM

MEETING OUTCOMES

- **Step One -- Alternative Narrowing**
BDAC, after considerable discussion, recommended to the CALFED agencies that the following alternatives be eliminated from the list of Phase II alternatives: 2C (multiple in-Delta Intakes), 3F (Chain-of-Lakes), and 3G (Ship Channel). Although staff also recommended the elimination of Alternatives 3C and 3D (5,000 cfs isolated conveyance with pipelines), BDAC recommended that the pipeline component be analyzed.
- **Step Two -- Detailed Evaluation**
BDAC discussed the distinguishing characteristics proposed by the Program, which, will be reviewed by the CALFED agencies and used in detailed evaluation and in selecting the draft preferred alternative. BDAC members recommended the following additions to the list: ability to implement the alternative in stages, habitat enhancement above the levels in the Ecosystem Restoration Program Plan, varying performance in the Water Use Efficiency common program, effectiveness to restore estuarine function, and differences in performance of all the common programs.

1. WELCOME; CHAIR'S REPORT (Sunne McPeak, Vice Chair)

Vice Chair Sunne McPeak convened the meeting acting as Chair in the absence of Mike Madigan and welcomed Bay-Delta Advisory Committee (BDAC) members and members of the public. She stated that the main purpose of the meeting was to consider and render advice and concurrence on the Alternative Narrowing process and results, and to render advice on the distinguishing characteristics to be used for Detailed Evaluation for the selection of the preferred CALFED alternative. She encouraged all BDAC members and members of the public to participate with spoken and written comments.

Vice Chair McPeak introduced Undersecretary for Resources Jim Branham as the new Designated State Official.

The next meeting of BDAC was announced by Vice Chair McPeak as September 4, 1997 and the location will be in the Bay Area.

1a. ISSUES FROM OUTSIDE DISCUSSIONS

Under this agenda item, Vice Chair McPeak first called on BDAC member Roberta Borgonovo to report on deliberations and activities of the Environmental Water Caucus. Ms. Borgonovo stated that members of the caucus were actively participating in the following arenas; the "Garamendi process" on the draft decision for Central Valley Project Improvement Act (CVPIA) environmental water (also called "B2 water"), San Joaquin River restoration, urban water conservation, the Bay Area Water Forum, and various CALFED venues. She noted that involvement by the Caucus in the Garamendi process was intensive and that resources were limited, so that members were not able to be participants in the Agriculture/Urban outside discussions. She closed her report stating that the Caucus is looking forward to the CALFED public involvement efforts.

Discussion Points

- BDAC member Alex Hildebrand stated that a policy discussion is also needed on CVPIA re-operation water, also referred to as "B1" water. Roger Patterson, Designated Federal Official, responded by providing brief definitions of types of water designated in the CVPIA.
- Ms. Borgonovo and BDAC member Hap Dunning inquired whether the U.S. Bureau of Reclamation (Bureau) is distinguishing between types of water as defined in the CVPIA as water is released from reservoirs. Mr. Patterson replied that conclusions about amounts of water delivered for different purposes is determined at the end of the water year using output from computer models. He also indicated that the Bureau is committed to meeting the water delivery objectives of the CVPIA for the next five years.
- Mr. Hildebrand commented that it appeared that no investigation of the effects of re-operation of Central Valley Project facilities was being done. In reply, Mr. Patterson said that this issue has only arisen on the Stanislaus River and that an investigation of that situation is likely.

1b. BAY-DELTA URBAN COALITION UPDATE

Vice Chair McPeak called upon Randy Kanouse (East Bay Municipal Utility District) to describe the Bay-Delta Urban Coalition and its efforts. Mr. Kanouse opened with listing the member agencies; Public Utilities Commission of the City & County of San Francisco, East Bay Municipal Utility District, Santa Clara Valley Water District, Alameda County Water District, Solano County Water Agency, Central Coast Water Authority, Municipal Water District of Orange County, San Diego County Water Authority, Metropolitan Water District of Southern California, California Urban Water Agencies, Central & West Basin Municipal Water District, Coachella Valley Water District, Los Angeles Department of Water & Power, and City of San Diego - Water Utilities Department. The Coalition was formed in 1993 to serve as a lobbying arm for the members with particular focus on the San Francisco Estuary. Mr. Kanouse then described the coalition's recent efforts to seek resolution on policies and regulations for the CVPIA B2 environmental water and the related Anadromous Fish Restoration Program (AFRP). He noted that the Garamendi process is structured similarly to a proposal suggested by the coalition last May. He closed by noting that it is necessary to find a resolution to the need for water for fisheries restoration without negative impacts to other parties.

Discussion

BDAC member Tom Graff shared his view that the Garamendi process is not truly stakeholder driven and that it is drawing resources away from other important public processes.

1a. ISSUES FROM OUTSIDE DISCUSSIONS (Continued)

Vice Chair McPeak then called on BDAC Member Steve Hall to report on the Agriculture/Urban discussion. Mr. Hall reminded BDAC of the two phase process for this discussion. He stated that phase two has begun. In this phase, participants will develop their assessment of the CALFED alternatives with the intent of providing high quality input to the CALFED process. Efforts to date

include reviewing and assessing CALFED documents and consulting with CALFED staff on the topics of water supply modeling, biological analyses, financing, and assurances. He stated that the work program is driven by their technical staff and that meetings occur every two weeks. Meeting notes are being circulated. He added that participants have also spent limited time on the Garamendi process and commenting on the AFRP, but that CALFED was the first priority.

Discussion

- BDAC member Mary Selkirk inquired about the participants in the dialogue. Mr. Hall replied that the participants are a combination of consultants, and senior staff and general managers of participating agencies.

Public Comment

- Jason Peltier (Central Valley Project Water Association) commented that the U.S. Department of the Interior (Interior) is considering using one million acre-feet in addition to the water allocated in the Delta Accord, for Delta fishery purposes. He expressed some frustration with Interior regarding how agricultural interests and concerns are being addressed. He noted that the Garamendi process may help bring focus to the relationship between the CVPIA and CALFED planning. He added that the Interior work groups are functioning well.

Discussion

Discussion on the federal appropriation for fiscal year 1998 followed with Mr. Graff, Mr. Peltier, Vice Chair McPeak, Mr. Hall, Mr. Patterson, Ms. Borgonovo, BDAC member Roger Fontes and CALFED Program Manager Lester Snow participating. The Senate has proposed \$50 million and the House has proposed \$120 million. The appropriation must be resolved by the Budget Conference Committee. One concern is that \$14 million from the CVP Restoration Fund will not be carried over to the next fiscal year, making it impossible to administratively establish a dry year reserve fund. Establishing such a fund is likely to require Congressional amendment to the CVPIA. Several participants noted that Congress is sending a message to use the Restoration Fund monies wisely. Another point raised was that if Congress will not allow full expenditure and carryover of the Restoration Fund from year to year, then payees into the fund should not be required to pay full amounts to the Fund. The lack of consensus among parties has contributed to the lack of a long-term program for Restoration Fund expenditures, however that may be changing. Lester Snow closed the discussion by noting that an embedded issue is that there is only one ecosystem which various programs are trying to address. He noted that part of the Ecosystem Roundtable's mission is to coordinate funding proposals and expenditures. Vice Chair McPeak requested that at the September 4th BDAC meeting an update on the Restoration Coordination Program's Request for Proposals (RFP) be on the agenda.

2. PROCESS FOR SELECTION OF A DRAFT PREFERRED ALTERNATIVE

Vice Chair McPeak repeated that the next several agenda items related to BDAC review and concurrence on narrowing the number of alternatives to consider for selecting a preferred alternative. Lester Snow added that this is the first time in the CALFED process where some alternatives would be dropped from further consideration. It is also the time to formulate the key criteria to use to evaluate the alternatives considered. He said that BDAC's recommendations would be forwarded to the CALFED Policy Group to assist them in their decision on identifying the alternatives to eliminate.

2a. OVERVIEW OF STEPS 1 AND 2 OF EVALUATION PROCESS (Loren Bottorff)

Presentation

Loren Bottorff (CALFED Program staff) presented an overview of the process being used to narrow and evaluate alternatives. Most of the material was provided in the BDAC meeting package. Step 1 is Alternative Narrowing and Step 2 is Detailed Evaluation. Mr. Bottorff noted that the large volume of data that could be generated from evaluating Program Objectives and Impact Analysis resource impact areas would make Detailed Evaluation unmanageable. However, most of that information would not change from one alternative to another. Detailed Evaluation will be used to develop and use distinguishing characteristics to determine the important differences between alternatives. In response to a question from BDAC member Jack Foley, Mr. Bottorff presented the rationale used in Step 1. If two alternatives are achieving the same functions, and one is more costly than another and/or has more significant negative impacts it would be eliminated from the list of Phase II alternatives.

2b. STEP 1 - ALTERNATIVE NARROWING PROCESS (Ron Ott)

Presentation

Ron Ott (CALFED Program staff) began presenting the staff recommendations to eliminate Alternatives 3C, 3D, 3F, 2C and 3G. A handout with information and maps of the alternatives to be eliminated was distributed to BDAC members and members of the public. Mr. Ott noted again that those alternatives that conveyed water in a functionally equivalent manner and were more costly and/or had more adverse impacts or unresolvable technical problems were recommended for elimination. To further explain the process, Mr. Ott noted that these alternatives were compared with others. He then compared Alternative 3C (pipeline conveyance facility) with Alternative 3A (canal conveyance facility).

Discussion Points

- Mr. Hall asked on what basis the energy cost estimates used in the comparison were made. Mr. Ott replied that costs for operating the State Water Project facilities were used.
- Mr. Fontes inquired about the elevation change from the intake point at Hood to the discharge point and energy costs. In reply, Mr. Ott said this was a trade-off between energy costs and the cost of building a larger pipeline.
- Ms. Selkirk questioned the emphasis the Program placed on the use of cost as a criterion to eliminate alternatives. She expressed concern about dropping alternatives without information on the allocation of costs over time and among types of users. Mr. Ott said it is possible to determine at this time the reasonableness of carrying an alternative forward if the trade-offs and total costs for that alternative are identified. Lester Snow added that Step 1 does not consider affordability of an alternative, instead the step is used to compare costs, impacts and problems between the alternatives.
- BDAC member Marcia Brockbank asked whether seismic risk as well as evaporative loss costs were taken into account. Mr. Ott replied affirmatively.

- Ms. Borgonovo queried whether it was already determined that increasing the future capacity of a conveyance facility was considered a plus for an alternative. She added that while it was logical to compare costs, discussion of other factors was necessary prior to making recommendations. Vice Chair McPeak said that BDAC would be informed later in the meeting on the status of CALFED financial principles.
- BDAC member Richard Izmirian had several comments. He said that BDAC is trying to determine what should comprise a "coarse screen" for Alternative Narrowing and also what opportunities might be precluded as some alternatives are eliminated. In his opinion, the distinguishing characteristics that are proposed for Step 2 should, in fact, be the coarse screen for Step 1. He added that the process for eliminating alternatives should be iterative. Mr. Ott noted that if some alternatives were not dropped at this time, then more money, time and effort would be required for the impact analysis.
- Mr. Hildebrand concurred with Mr. Izmirian that an iterative decision process was required. He also noted that problems with the proposal for a peripheral canal in 1982, such as managing seepage from an unlined channel, could occur with these alternatives. He expressed uncertainty as to how CALFED would assure that those problems would be addressed. Lester Snow said that the ability to increase the capacity of the isolated conveyance facility was not considered to be beneficial. In fact, both a canal and a pipeline would be difficult and expensive to expand. He added that both are a functionally equivalent means for transporting water around the Delta. Lastly, he said that the coarse screen is a way to reduce the number of alternatives for impact analysis.

Discussion among Mr. Graff, Lester Snow, Mr. Ott, Vice Chair McPeak, Mr. Fontes, Mr. Hall, Ms. Borgonovo and BDAC members Rosemary Kamei, Pietro Parravano, Stu Pyle and Tom Maddock continued on the points of cost estimates, ease of expanding a conveyance facility, and the suitability of the Alternative Evaluation Process. Desire for more information prior to recommending dropping alternatives was expressed. The desired information included comparing the ease and costs of expanding a canal versus a pipeline, as well as costs for environmental mitigation, and operation and maintenance. The need to drop alternatives was also expressed. Concern about the adequacy of the logic for and the outcome of Step 1 was expressed by Mr. Graff and Ms. Borgonovo. Vice Chair McPeak stated that BDAC, in making its recommendation, can signify disagreement among members, request more information, and recommend that both alternatives be retained for the present time.

Presentation (Continued)

Mr. Ott stated that the staff recommendation is to drop Alternative 3C from further consideration. He then briefly compared Alternatives 3B (canal) and 3D (pipeline). He noted that the issues were the same as with 3A and 3C and the staff recommendation was to eliminate Alternative 3D.

Discussion

- Ms. Borgonovo inquired as to the differences between 3A and C, and 3B and D. Mr. Ott replied that Alternatives 3B and D have greater proposed storage capacity than Alternatives 3A and C.

Presentation (Continued)

Alternative 3F (Chain-of-Lakes) was then compared to Alternative 3E. Mr. Ott noted that technical problems with 3F were addressed to lessen impacts on fisheries, however the functionally equivalent Alternative 3E continued to be less expensive than 3F. The recommendation was to drop Alternative 3F due to high costs and the extensive land used to convey water supplies.

Discussion Points

- Mr. Hildebrand asked what assumptions were used regarding vegetation control and seepage from the lakes. Mr. Ott replied that these issues present significant problems with Alternative 3F.
- Ms. Selkirk asked what impacts Alternative 3F might have on ecosystem restoration activities in the Delta. Lester Snow answered that the lakes are an isolated conveyance facility and, in themselves, provide little restoration opportunity. Additionally, they might preclude restoration in areas considered desirable for such efforts.

Mr. Maddock, Mr. Hildebrand, Mr. Hall, Lester Snow and Dick Daniel (CALFED Program staff) discussed further how to consider functional equivalency between alternatives and how to measure net environmental benefits. Vice Chair McPeak summed up the discussion by noting that environmental benefits will be documented in the Environmental Impact Report and Environmental Impact Statement (EIR/EIS). She added that the Program is asking for BDAC's recommendations to narrow the number of alternatives for impact analysis in order to provide higher quality analysis of the remaining alternatives.

BDAC member Howard Frick, Vice Chair McPeak, Ms. Borgonovo and Mr. Ott then discussed the ability to install fish screens at a diversion point of 15,000 cfs. Such screening is necessary to protect downstream migrating salmon smolts. At present, the largest fish screen in the nation is for a 3,000 cfs diversion. It may be necessary to have multiple diversion points for fish screening to be effective and this would be analyzed in the EIR/EIS.

- Mr. Hildebrand asked if water would be conveyed in Alternative 3F using gravity flow. Mr. Ott replied pumps and siphons between the lakes would be required, instead.
- Vice Chair McPeak said that water quality should be flagged as a topic of particular concern for impact analysis. This included the impacts from using an unlined canal conveyance facility, residence time of pollutants, and the opportunity for water quality degradation.
- Ms. Selkirk suggested that BDAC deliberate on the overall 2-step evaluation process. In response Vice Chair McPeak replied that such discussion would take place after lunch.

Presentation (Continued)

Mr. Ott then presented Alternative 2C (multiple intakes). He noted that the same concept is embedded in Alternative 3I. He said that Alternative 2C would require fish screens, pumps and real-time monitoring for all intakes. Staff is recommending that Alternative 2C be dropped at this time.

Discussion Points

- BDAC member Eric Hasseltine asked whether the total volume at the intakes exceeded 15,000 cfs. Mr. Ott replied that no more than 15,000 cfs would be diverted at any one time. The intended advantage of multiple intakes is to avoid fisheries impacts.
- Mr. Graff asked about the cost of Alternative 3I. Mr. Ott noted that cost was not used as a comparison, but rather, the concept of 2C would be embedded Alternative 3I.
- Mr. Hildebrand commented that it is necessary to optimize the operation of facilities prior to comparing variations of Alternatives 2 and 3. He added that an argument in favor of an isolated conveyance facility is the protection of water quality. However, if operations were optimized, through-Delta conveyance may provide a level of protection for export water supplies equal to that provided by an isolated facility.
- Mr. Hasseltine asked whether the cost estimates reflected total expenditure estimates. Mr. Ott replied that the estimates were for conveyance facilities only.

Presentation (Continued)

Mr. Ott described Alternative 3G (ship channel). Benefits of this alignment include less tidal influence and therefore less probability of negatively affecting Delta smelt, and location of the intake above the discharge for the Sacramento wastewater treatment plant. For comparison purposes, he noted that Alternative 3B could achieve many of the other benefits as 3G at significantly less cost. He added that capital cost estimates for all the alternatives, in fact, ranged from -10% to +35% of the estimates presented at the BDAC meeting. He closed by summarizing the findings, repeating the staff recommendations and stating the questions for BDAC's consideration -- Does BDAC concur with the process laid out in Step 1? If not, what changes do you suggest? Does BDAC concur with the results of Step 1? If not, what changes do you suggest?

Vice Chair McPeak noted that BDAC would return to these questions after lunch. Lester Snow added that the staff had attempted to develop a rationale for eliminating five alternatives from further consideration.

Public Comment

- Ed Petry (Mendota) stated that there have been several effects on the Mendota area due to water development. These include degradation of water quality and land subsidence due to groundwater withdrawals. He also said that it appeared that fishery restoration was centered in the Delta and not planned for the San Joaquin Valley. He requested that the Resources Agency and the State Water Resources Control Board gain control of the problems he cited. Mr. Hildebrand stated that the problems Mr. Petry spoke of are serious and not getting the attention that is needed.

2. PROCESS FOR SELECTION OF A DRAFT PREFERRED ALTERNATIVE (Continued)

Following lunch Vice Chair McPeak directed BDAC's attention to the staff presentation on the Detailed Evaluation process. She said that BDAC would return to a discussion of Step 1 after the presentation.

2b. STEP 2 - DETAILED EVALUATION (Loren Bottorff)

Presentation

Mr. Bottorff opened the presentation by asking BDAC the following question; what information is needed for selection of a draft preferred alternative? He proceeded by describing each of the 16 distinguishing characteristics that are proposed to discern the differences between the remaining alternatives. The distinguishing characteristics were defined and explained in the BDAC Meeting Package. In closing, Mr. Bottorff asked BDAC the questions posed to them in the Meeting Package; do the proposed distinguishing characteristics appear adequate to compare the Phase II Alternatives at the programmatic level? If not, what distinguishing characteristics should be added or changed?

Discussion Points

- Mr. Dunning asked whether unique assurances packages would be created for the remaining 6-10 alternatives. Lester Snow replied that a common package would be developed and then modified for the unique attributes of the alternatives.
- Mr. Izmirian suggested that an additional distinguishing characteristic be used, that of the ability to stage the implementation of the alternative. He inquired whether there would be a net increase in water supply exports due to the use of water transfers. Lester Snow said that the ability to conduct water transfers is one of the functions that the Program is trying to establish in each alternative.
- Ms. Selkirk commented that water quality treatment will vary by alternative. Additionally, she asked for clarification of the statement in the Meeting Package that CALFED would give greater consideration to changes in average annual water supplies rather than dry year supplies. Lester Snow responded that both types of water supply data are necessary and will be provided. Regarding water quality, Lester Snow noted that CALFED is attempting to improve the water quality of raw export water supplies. Information on treatment costs and avoided treatment costs are part of considering trade-offs for water quality.
- Mr. Hasseltine asked if the distinguishing characteristics were used in Step 1. He also inquired whether the characteristics would be weighted since some are qualitative and others are quantitative. Lester Snow responded that Step 1 used other criteria such as functional equivalency to narrow the alternatives. He said that the distinguishing characteristics would be used to evaluate the alternatives. However, the decision of selecting the preferred alternative would require trading off issues embedded in the Solution Principles.
- BDAC member David Guy asked the following question; would agricultural land be considered part of the affected environment for impact analysis purposes inquired? How would the balance between agricultural land and other environments be struck? Lester Snow replied that unique and prime agricultural land is considered part of the affected environment and that alternatives with such land conversion would likely score lower in the ranking. He added that the Program would follow standard procedures to avoid, reduce and finally, mitigate impacts to such agricultural lands.

- Mr. Pyle asked how operating criteria would be displayed in the Detailed Evaluation and whether or not variance with the standards set forth in the Delta Accord would be included. Lester Snow said that comparisons would be made to the No Action alternative which included the Accord standards.

Ms. Borgonovo and Mr. Maddock discussed with Vice Chair McPeak how results from the Detailed Evaluation should be presented. To cope with the qualitative evaluation it is important to display the ranking, provide as much quantitative information as possible, and conduct a sensitivity analysis on gains for differing investment levels. The suggestion of preparing a few examples before the September meeting and circulating them to BDAC members for feedback was put forth. Lester Snow indicated that staff would present work-to-date at the next BDAC meeting.

- Ms. Kamei requested that information on operating assumptions and the data for modeling be included in material for BDAC's consideration. Lester Snow responded that as information is compiled it will be included in the analysis. He noted that results could change as the evaluation continues. He added that the highest ranking alternative in the Detailed Evaluation would not automatically become the preferred alternative.
- Mr. Hildebrand followed with several comments. BDAC needs more information on the assumptions in both Steps 1 and 2 in order to provide useful advice. To increase the adequacy of the distinguishing characteristics, he stated that information on Delta flood risk, change in water demand, availability of supply for each type of use, assumptions regarding storage, and assumptions on water transfers would be needed. He said all types of conveyance should be optimized. In closing he indicated a preference to eliminate alternatives 3F, 2C, 3I and 3G.
- BDAC member Pietro Parravano suggested that wording for the characteristic "habitat disturbance" be changed to "habitat enhancement." He also suggested water use efficiency be added to the distinguishing characteristics. Vice Chair McPeak urged that staff consider as a distinguishing characteristic habitat enhancement above the Ecosystem Restoration Program Plan (ERPP) as well as habitat disturbance.
- Mr. Izmirian suggested as another distinguishing characteristic the effectiveness of an alternative to restore estuarine function.

Mr. Hasseltine, Ms. Borgonovo and Mr. Parravano returned to the idea of water use efficiency as another distinguishing characteristic. Concern was expressed that the Water Use Efficiency common program would not be aggressive enough. Vice Chair McPeak summarized and recommended that additional distinguishing characteristics be added; 1) varying performance in the Water Use Efficiency common program, due to differences in storage and conveyance facilities, and 2) varying implications to all common programs due to storage and conveyance variations. Lester Snow agreed that this may be a valid point, but indicated that it is not clear how to measure the differing performance and implications in impact analysis.

2b. STEP 1 - ALTERNATIVE NARROWING PROCESS (Continued)

Discussion

Vice Chair McPeak directed BDAC discussion to deliberation on the process and results from Step 1. She repeated the staff's recommendation to eliminate Alternatives 3C, 3D, 3F, 2C and 3G. Members first considered dropping 3C and 3D. Discussion occurred among BDAC members Roger Strelow, Mr. Pyle, Mr. Hall and Mr. Hildebrand. To gain protection from legal challenge (CEQA) and to address stakeholder concerns, it was suggested that the Program not eliminate an alternative prematurely if it appears to have significant environmental benefits despite the apparent greater expense. Lester Snow summarized that it appeared to be BDAC's recommendation to retain the pipeline-type of conveyance facility.

Vice Chair McPeak then moved to consideration of Alternative 3F. No member of BDAC objected to dropping this alternative.

Discussion moved to Alternative 2C. Mr. Hasseltine, Mr. Pyle, Ms. Borgonovo, Mr. Hildebrand and Mr. Hall considered the concept of multiple intakes embedded in Alternative 2C and Alternative 3I. Lester Snow noted that not enough analysis had been done to eliminate entirely the concept of multiple intakes. Therefore, retaining Alternative 3I and dropping Alternative 2C would narrow the alternatives without prematurely eliminating the concept. It was noted that the modeling for this concept was presently being done for 15,000 cfs, but that lesser intake volumes were being modeled for other alternatives and those results would be applicable. The lowest volume being modeled, 5,000 cfs, is greater than the flow of the San Joaquin River most of the year. Using multiple intakes might be more effective in reducing impacts to fisheries. Lester Snow noted that the Program was not advocating for Alternative 3I, but instead, was trying to meet environmental impact analysis requirements. No member of BDAC objected to dropping Alternative 2C.

Vice Chair McPeak then moved to consideration of Alternative 3G. No member of BDAC objected to dropping this alternative.

Ms. Selkirk asked what steps were next now that BDAC had considered the evaluation process and recommended alternatives to drop. Lester Snow replied that BDAC's recommendations would be forwarded to the CALFED Policy Group. At the September BDAC meeting, staff would present work-to-date on Detailed Evaluation.

Public Comment

- Linda Cole (Valley Protection Association) commented that no discussion of protection for source areas of water was included in the evaluation. She added that it appeared that there is a rush to concur with the staff recommendations which raises the question of impacts on source areas. She said that the process begged the question of whether the November 1998 deadline would preclude careful consideration of impacts on source areas.

2d. DISCUSS TRADE-OFFS IN EVALUATING ALTERNATIVES (Lester Snow)

Vice Chair McPeak asked if there were questions on this agenda item. Hearing none she directed that this item be carried over to the September 4th BDAC meeting.

3. RESTORATION COORDINATION PROGRAM UPDATE (Jeff Phipps)

Presentation

Jeff Phipps (CALFED Program staff) updated BDAC on the status of the Request for Proposals as well as the selection process outlined in the BDAC Meeting Package. He noted that a recommendation from BDAC will be sought in October. Due to restrictions in contract law, only a summary of the proposals would be available to BDAC or members of the public.

Discussion Points

- Mr. Hildebrand asked how BDAC could consider the balance between restoration and flood control if the proposals could not be reviewed. Mr. Phipps replied that all proposals would be scored for consistency with CALFED objectives. He added that any project must comply with environmental review requirements.
- Mr. Izmirian inquired how the Program would address any lack of proposals for needs identified earlier in the proposal process. Mr. Phipps replied that such information would be used to structure the next round of proposals. Lester Snow added that the use of "directed programs" was likely for the next round.
- Mr. Pyle asked how the Program was coordinating with other restoration efforts and who would make the final decisions. Mr. Phipps replied that the Integration Panel that will review the proposals will also review proposals to the CVPIA Restoration Fund. Lester Snow said that Proposition 204 requires the California Secretary of Resources to decide on allocation of the state funds and that the Secretary of the Interior will make the federal funds decision.
- Vice Chair McPeak inquired about the means being undertaken to move quickly on proposal funding and coordination with CVPIA Restoration Fund allocations. Mr. Patterson replied that some proposals will request joint funding. Projects which are not funded by the Restoration Coordination program may meet CVPIA criteria. BDAC members were reminded that a dry year reserve fund would likely not be established in the coming fiscal year. Mr. Phipps closed by noting that coordination will extend to project implementation and monitoring, in addition to proposal funding decisions.

Public Comment

- Howard Landowski (Bait Fishing Alliance) expressed concern about the need for public notification of the RFP and that projects submitted would prejudice the environmental review process. He feared that the restoration projects would exclude people who have used the Delta on a long-term basis from access to Delta resources. Lester Snow said that all environmental review requirements would be adhered to.

4. BDAC WORK GROUP UPDATES

4a. FINANCE WORK GROUP (Eric Hasseltine)

Presentation

Mr. Hasseltine began the presentation noting that the work group is meeting monthly. The work group is presently trying to establish a set of financial principles in five policy areas; cost allocation based on proportional share of the benefits, establishment of the financial baseline, coordination of financing and credits, new revenue tools, and inclusion of participants.

With respect to cost allocation, work group members have agreed upon criteria for allocation. Areas of disagreement on this topic are the methodology for allocating costs, consideration of ability-to-pay and whether the allocation of costs should be fixed or dynamic.

For the financial baseline, work group members have agreed that funding for the ERPP should be stable, and water prices should be affordable for both urban and agricultural uses. Disagreement continues regarding whether a baseline is necessary and if it should be a fixed number.

Work group members have agreed that credits should be given for contributions to the Restoration Coordination program and Category III funds. Additionally, credits should also be allowed for ongoing expenditures. Not yet addressed are the expenditures that should be credited and start date for expenditure credits.

New revenue tools discussion has yielded agreement that an alternative to statewide general obligation bonds is likely to be necessary. Also, that the new tools need to include ones that do not require a current payment mechanism. Yet to be addressed are the specifics of these tools.

The work group agrees that broad inclusion of participants is necessary in the financing program, but has not yet addressed the constituencies that should be included in the discussions.

Discussion Points

- Ms. Borgonovo stated that it is necessary to determine the financial baseline in order to use the benefits-based approach to allocate costs. Vice Chair McPeak suggested that perhaps the work group could assume a cost allocation in a broad sense in order to break through the logjam on this issue. Mr. Hasseltine added that the cost allocation had to be publicly acceptable and that the work group is seeking public input.
- Mr. Hildebrand commented that it appears the issue of the baseline requires determining who was responsible for ecological degradation. He added that population growth contributed to the present situation and was not clear how the ERPP can be implemented successfully without, in fact, removing some part of the population. He closed saying he is not sympathetic to the idea of a baseline.

Vice Chair McPeak re-ordered the agenda to accommodate the limited time remaining in the meeting.

4d. WATER TRANSFERS WORK GROUP (Lester Snow)

Presentation

Lester Snow stated that the first meeting of the work group will be August 7th. The co-chairs are Mr. Strelow and BDAC member Tib Belza. He noted that the purpose of the work group is to determine structures for effective, efficient transfers, but that the topic of eliminating water transfers will not be an outcome of the work group.

Discussion

Vice Chair McPeak asked if a report would be on the September BDAC agenda. Mr. Strelow replied affirmatively and cautioned that it was unclear how quickly agreement among work group members would be reached.

4b. ECOSYSTEM RESTORATION WORK GROUP (Mary Selkirk)

Presentation

Ms. Selkirk reported that Volume I of the ERPP was available and that Volumes II and III would be published shortly. She added that the 45-day public review period would commence after all volumes were published. Mr. Daniel added that the facilitated scientific review of the ERPP was tentatively scheduled for September or October. He stated it would be a four day process. Panel members would not have affiliations with the Delta.

Discussion

Vice Chair McPeak urged that BDAC review the questions that will guide the discussions of the scientific review panel before the panel meets. Lester Snow noted that the Ecosystem Restoration Work Group had prepared questions for consideration by the panel. Mr. Daniel stated that the ERPP and the questions for the scientific review panel would be on the BDAC agenda for September or October.

4c. ASSURANCES WORK GROUP (Mary Scoonover)

This item was removed from the agenda due to time constraints.

5. PUBLIC COMMENT

- Mr. Landowski spoke to the Restoration Coordination program RFP. He expressed concern that proposals for land acquisition may be exempt from impact analysis. He stated that the traditional use of lands in the Delta should be considered and that the impacts of proposals would not be understood until the proposals are revealed in detail. He urged BDAC members to be skeptical of land acquisition projects.
- Nat Bingham (Pacific Coast Federation of Fishermen's Associations) noted that export water supplies could have either negative or positive effects on fisheries. He recommended that BDAC take a risk-averse approach to measures that might impact fisheries. Further, he requested that fish trucking not be halted until the causes for fish mortality in the Delta are better understood.
- Fred Thompson (San Diego County Water Authority) stated that the Water Authority supports wholeheartedly the CALFED planning process. The Authority relies on water imported from other parts of the state in addition to supplying 25% of its needs locally. He closed with requesting BDAC's support of the Authority's acquisition of water from the Imperial Irrigation District.

The meeting was adjourned at 4:50 PM.